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134 units. Actual cost is borne by the beneficiaries because the State recovers it by easy
185 instalments. The average cost of soil conservation is Rs. 150 per acre. The total cost of conserving one million acres at an average rate of Rs. 150 per acre would be Rs. 1.5 crores per year assuming that the programme is evenly phased. Soil conservation work is also very labour intensive and the proposed programme would give continuous employment to about 17,500 persons over the next 10-year period.

[464]

Related Aspects

*433 2.79 For full effectiveness, the development programme for agriculture, as
449 suggested above, would need a larger extension organization than that which was set up in 1953. It is expected to cover the whole of the State by the middle of the Third Plan period. The extension work at present is not intensive enough. The number of extension workers is too few to be really effective; the staff capacity needs to be augmented. In this connection the Agriculture Personnel Committee has recommended that the work in charge of a village level worker should be reduced by half. The Committee has also made suggestions on other aspects such as training and education, etc., of extension workers. The State Government may examine these proposals with a view to implementation as early as possible.

Marketing

*433 2.80 The small cultivators generally experience great difficulty in disposing of
442 their produce at reasonable prices. In case of some commodities like ginger, pepper
438 and arecanut, the difference between the price received by producers and that paid by consumers is as high as 100 per cent. In addition, none of the commodities except lemon grass is properly graded and this leads to serious consequences from the point of view of export markets. Marketing, processing and grading facilities should be developed so that both the producers as well as the consumers are benefited. In this context, as recommended by the Directorate of Marketing and Inspection, all the 41 wholesale markets in the State should be regulated. At present only four are regulated.

[656]

Agricultural Credit

*433 2.81 The average level of earning of farmers being rather low, most of them
452 require credit facilities for making improvements in their land. According to a survey, conducted in 1960 by the Bureau of Economic Studies, 89 per cent of the farmers need credit of some type. It also reveals that 82 per cent of the farmers need short term credit while medium and long term credit are needed by 56 and 34 per cent of farmers respectively. On the basis of the findings of the survey, the annual agricultural credit needs for the whole State may be put at 32.8 crores, of which Rs. 18.67 crores would be in the nature of short term credit, Rs. 6.74 crores medium term credit and Rs. 6.5 crores long term credit. The garden crops would account for Rs. 21.6 crores and paddy Rs. 11.2 crores.

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2.82 Against this, the total amount distributed through organized institutions in 1958-59, was only Rs. 2.49 crores. This leaves a large gap which is probably being met by money lenders who generally charge high interest rates. Since intensive agricultural development programme as suggested here would require large amounts of working capital for the various types of farm expenses, the need for expansion of rural credit facilities through organized institutions cannot be overstressed.

PLANTATION CROPS

2.82 The predominant place occupied by commercial plantation crops in Kerala's agriculture, both in terms of area covered and net value contributed, has been stressed previously. In view of their importance to the Kerala economy, they deserve a high priority in the development plans of the State. The plantation crops of Kerala include pepper, cardamom, arecanunt, coconut, rubber, coffee and tea. Since most of these crops are perennial and have a time lag of 5-7 years between the stage of plantation and crop maturity, their future development programme should be viewed on the basis of a long term perspective of 20-30 years. The extension of area under these would not result in any immediate increase in output. However, quicker increases in production are possible from existing area under these crops through increase in yields per acre by the adoption of better techniques, etc. There is considerable scope for improvement in the methods of cultivation. It is thus necessary to devise, both short term and long term programmes for development of plantation crops in the State which are discussed below separately for each cash crop.

Coconut

2.83 Coconut is the most important cash crop of Kerala. Natural conditions in this State are ideal for cultivation of coconut. The crop thrives well along the sea coast and in the interior up to an altitude of 1,500 feet. Kerala accounts for about 70 per cent of the area under coconut in India and for over 80 per cent of the copra and coconut oil produced in the country. Coconut is important to the Kerala economy in a number of ways. First, the outer husk goes to support the most important cottage industry of the State, viz., coir industry. The kernel is used for edible purposes and in addition it is the mainstay of a large number of coconut oil millers. Coconut oil, in turn, forms a raw material for the soap industry. Directly and indirectly this crop provides employment to over 5 lakh persons.

2.84 Coconut is not a regular plantation crop since it is not grown on large tracts as in the case of rubber, tea and coffee. It is grown in scattered patches along paddy fields, river banks, backwater stretches and in the compounds of residential houses. In view of these complexities it is difficult to estimate the precise area under coconut but rough estimates show that the area under coconut in Kerala is about 1.1 million acres. The district of Kozhikode has the highest (250,884 acres) and Palghat the lowest (11,556 acres) acreage.[1]

[1] The figures refer to 1958-59 crop year.

11: India G-4,5 (1960-1961) 1962 AWII Kerala AWII

Tea

2.94 Tea is foremost among the exports of Kerala and the second most important cash crop of the State in terms of net value contributed. It also employs the largest number of persons among the plantation crops. In 1957-58, out of the total exports worth Rs. 56 crores from the ports of Kerala, tea alone accounted for Rs. 24.3 crores.

2.95 The growth of tea plant is very much influenced by natural factors such as temperature and rainfall. A warm and moist climate with a temperature range of 55°-95°F, and an aggregate of 100 to 250 inches of well distributed rainfall are ideal conditions for the growth of tea bushes. It is grown at altitudes of over 2,000 feet above sea level and requires a well drained soil for anchorage and share of trees. The Wynad range (3,000 ft. elevation) of Malabar and Kannan Devan Hills (5,000 ft. elevation) of Travancore-Cochin area possess all these attributes.

2.96 Between 1951 and 1958 the area under tea in the State increased from 93,000 to 97,000 acres, that is, by 5.4 per cent. On the output side, the production of tea in the State during 1958 was 80.0 million lbs. as against 66.4 million lbs. in 1951, registering an increase of 35 per cent. The increase in production has thus been largely due to increase in yields between 1951 and 1958. By 1958 the yield rate reached a record level of 957 lbs. per acre. This increase has been steady and is higher than the corresponding all-India rise. However, even at present the average yield per acre in Kerala is lower than that in the case of other principal tea growing States of India such as Assam, West Bengal and Madras.

2.97 Higher prices and increased demand after the last world war gave an inducement to the planters to adopt intensive techniques of cultivation such as application of large dosage of fertilizers, better management and care. These have been primarily responsible for a larger outturn per acre. However, this trend is not likely to continue indefinitely as the bushes are getting aged. Experienced planters feel that with further improvements in cultivation techniques and increased application of fertilizer mixtures, it would be possible to raise the average yield to 1,000 lbs. per acre.

2.98 *Replantation*: The economic life of a tea bush ranges from 40 to 60 years and this makes it necessary to have a planned programme of replantation. Nearly half of the tea acreage in South India was planted during the early part of the century using Assam seeds. The remainder is the old China hybrid. Till 1953 only 0.72 per cent of the tea area had been replanted.

2.99 Replanting of tea had been neglected till recently. Most of the plantation estates were distributing the major part of their profits and there was very little ploughing back. The need for replanting on an appreciable scale received recognition only about 10 years ago but the situation has not improved still. Since no profits had been ploughed back to build up reserves, absence of replantation is largely explained by the lack of financial resources with the planters. Government aid in the form of long term loans for plantation, therefore, seems to be the only solution. The Plantation Enquiry Committee examined this problem in detail and recommended the creation of a fund for replantation. No action seems to have been taken so far.

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sector. The dairy farms may also take up the manufacture of high value items such as creamery products and *cheddar* cheese.

Processing and Marketing of Poultry Products

3.33 Proper disposal of poultry products is also a pressing need. At present there are a number of private as well as cooperative organizations in the Travancore-Cochin area for collecting and marketing poultry products. Some of them have even inter-State connections. These organizations have rendered satisfactory service to the poultry industry in Kerala. Credit goes to them for having developed export demand for poultry products of the State. All these organizations, however, are faced with serious limitations to further expansion and more efficient working. Their main problem is inadequate working capital. The other difficulties are: (*i*) lack of cold storage facilities, (*ii*) inadequate availability of transport aids and containers for safe transit, and (*iii*) lack of technical guidance. The State should take steps to remove these difficulties. It is suggested that the State should encourage municipalities to construct cold storage godowns. This would benefit not only the poultry industry, but also other activities such as horticulture, meat packing and fisheries. The other needs could be largely looked after by the Development Blocks. It is also suggested that the poultry cooperatives should be asked to grade eggs before marketing them.

3.34 It may not be possible to find market either inside or outside the State for all the marketable surplus in poultry products in the future. This fear is justified in view of the fact that significant development in poultry industry has taken place in some of the egg-importing States such as West Bengal, Madras, Punjab and Bombay under the Second Plan. It may, therefore, be expected that the production of eggs and other items in these States would increase considerably by the end of the Third Plan. Such a development would hit Kerala's exports adversely. In order to guard against such consequences, it is desirable that alternative means of disposal of eggs and poultry meat are planned now. The best method would be to set up a combined egg powder-cum-meat packing plant in a convenient location somewhere in the Travancore-Cochin area. The in take of the plant may be of the order of 30,000 eggs and 500 to 1,000 birds per day. The birds may be processed for preservation and packed in polyethelene bags in convenient numbers. A product like this is bound to be popular all over the country. The plant would need an investment of Rs. 3 lakhs.

3.35 Animal husbandry needs State support and help in other ways too. Loans from the State Government to both processers and cooperatives would be of a great help. The average farmer is at present unable to take to livestock-keeping as a subsidiary occupation on account of lack of funds for investment as well as for working capital. Normal farming agencies like banks and cooperatives do not serve them because of their non-credit worthiness and the uncertain nature of livestock business. Seeking the help of local money-lenders would be too expensive for these ventures. Only the State can solve the problem of rural credit in a situation of this type by making available larger *takavi* funds, arranging for loans through banks and cooperatives, by agreeing to share the risks, etc.

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kanomdars who live in the village also possess lands in the neighbouring villages. In the centre of the village a very sacred and important temple is situated. It has existed for nearly a thousand years, and it is believed by all the people of Malabar that many miracles have from time to time happened there. Many rich devotees have granted lands to it, and it is now the most important landowner of the village, possessing the janmam right over nearly 200 acres of land, all leased to kanomdars. A large part of the temple land is not taxed by the Government, but a low amount fixed by the Government is collected by the temple authorities for its maintenance. This kind of tax is called *Sarvamanyam*. The temple is now managed by the Court of Wards. It belonged to the Zamorin, who handed over his estate to the Court. The Zamorin is the head of a tarwâd* of about 300 members, being the oldest man. Hence when he succeeds he is too old to manage well.

It has been stated that the chief kanomdars excepting three cultivate only the small stips of lands that they occupy and leave it to others to cultivate the rest of their lands. They do not follow any other occupation, but lead an idle life, collecting money from their tenants and lending their money to the poor on security of ornaments and other things. The tendency is for every man who has money to be a money-lender. The sowcars are money-lenders by profession, but every man who has money, instead of depositing it in a bank, lends it to others on high rates of interest. The landowner, the vakil, the official or any other class forms no exception to this rule. Only the traders use the bank.

There are 525 tenants not possessing kanom rights who hold land under kanomdars, and 54 agricultural workers having no land and not renting land. The largest tenant is a Tiyya occupying 80 acres.

Rents are paid both in money and in kind. The chief crop of the village is coconut, but nearly one-fourth of the area is under paddy cultivation. Rents of the coconut areas are paid in money, and those of paddy lands in kind.

Land Revenue.—Rs. 6,411-7-0. This is small because of the exemption of temple lands.

The paddy fields all give two crops per annum. When once a coconut is planted, it lasts for nearly 100 years.

Implements.—There are 542 ploughs in the village, all of the primitive type.

The other implements used are—

(1) the levelling board,

(2) a long stick for powdering the soil,

(3) a short iron instrument somewhat in the shape of a knife for sowing the seed and transplanting,

(4) a rather long handled mamoti, a broad plate of iron sharp at one end and joined to a big stick at another somewhat perpendicularly,

(5) sickles,

(6) big rods used for winnowing the paddy and for separating the grain from the straw,

* [i.e., a Navar family community, having inheritance in the female line. Such an estate is the joint property of all the *female* members of the family and their descendants, the male members of the family also having a right during their lives to support from the family estate, but not transmitting any right to their children.—Ed.]

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which Rs. 6,411-7-0 goes as land revenue and another Rs. 3,500 as income-tax to the Government, leaving Rs. 2,40,000 for the village. There are 385 landowners and these people get Rs. 90,000 a year for their land. The amounts earned by the great merchants may be estimated at Rs. 25,000, and this amount is shared by nearly 100 families. This amount largely comes from parts outside the village and by exportation of coconuts. The profits these people get from the village itself are not calculated under this heading since it forms no income to the village. But that may be estimated at Rs. 5,000 only. Thus all that remains to the agricultural classes after deducting the incomes of the landowners and traders, is about Rs. 1,25,000 which must be shared by 805 families of 6,000 people, an average of Rs. 20-13-9 per head per annum. The total earning of an agricultural family on an average comes to nearly Rs. 146 a year or Rs. 12-2-8 a month or As. 6-6 a day. Taking a rough estimate of what a family has to spend according to the present standard of living, which is in itself a low one, we may estimate the expense of a family to be at 10 annas a day. From personal experience I have found that the cost of giving artisans working in the house the one meal a day which is customary, is 2 annas per man; we made no difference between their meal and ours. Something, but not much, can be saved on this in quality, and, making all allowances for children, I infer that a family of seven members will have to spend at least 10 annas a day for food or Rs. 228 a year. Making an allowance of Rs. 20 for clothes and for religious and social functions—it is only a small amount for a year—they will have to spend Rs. 248 a year for food, in order to maintain their body and soul without suffering, leaving out of consideration luxuries, pleasure, etc. What do they get now? Only Rs. 146. So what they get is sufficient only for one meal. I was told by the carpenters and blacksmiths who worked in my house that they could not provide themselves with meals during the nights and what they do is only to drink rice water, and even that very rarely. They manage with the meal given from the house and what they get as wage is spent on their wives and children with a small saving for contingencies. This economic suffering is the main cause for the physical deterioration in India, and this is the cause of infant mortality, and this accounts for much of ignorance and filthy and insanitary habits, since with every one first food, then other matters. The case of agricultural people is much worse than artisans; they are paid lower and they are rarely given the one meal in addition as are the artisan class. Ordinary labourers if they do not get work have to starve literally.

It is evident from the previous statement of facts that no money can be saved at the present time by the tenants for agricultural capital, or for manure. Further there is no organized industry of any kind. The oil-pressing and rope-making industries, which are the most important, are carried on with primitive tools which require no capital. It has been already stated that the landowners get Rs. 90,000 a year, of which they spend for their maintenance a sum of nearly Rs. 40,000. The remaining Rs. 50,000 are spent on loans to neighbours, jewellery, house-building, education of their children, charity, religious and social festivities such as marriage. Loans to neighbours take away more than half, education nearly Rs. 10,000, and the rest for the other expenses. Money-lending forms their chief profession These landowners do not lend to the

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agricultural classes but only to the well-to-do and that in a lump sum, such as Rs. 1,000 to Rs. 5,000 or even Rs. 10,000. The chief purposes for which the well-to-do borrow are (1) to displace tenants by paying off the cost of improvement as explained in the introduction on land, (2) in the case of Brahmans for marriage of their daughters, (3) to rich debauchees, and they are not very few, on mortgage of their lands, thus in the end taking away the mortgaged land, (4) to big merchants who carry on the export trade in oil and coconuts and others who are engaged in trade. 452

The passion for jewellery which in former days was present only among Brahmans in Malabar—not so in other districts—is unfortunately spreading among other classes too, and a large amount of money is yearly spent on it. At the present time every man of means will have at least Rs. 200 worth of ornaments and, in a rich man's house, Rs. 5,000 or Rs. 10,000 is the usual amount. The total amount of jewellery may be estimated at Rs. 1,00,000. This is the much talked of 'hoarded wealth' of the village, though the jewels are in daily use and not hidden. Nobody has hidden anything. 301 454

It is not possible to get the exact amount of agricultural indebtedness. I have already stated that the landowners and other rich persons do not lend to the agricultural classes. But who lends to the agricultural classes? The sowcar or the professional money-lender, the middle class man who is not rich but just earns enough for maintenance and some small saving. The number of professional money-lending shops is twelve, and a large number of persons of the middle class are also engaged in the same occupation. A rough estimate of the amount of money lent by the people may be made by a reference to the account books of these money-lenders. They have together lent about Rs. 1,50,000. The money lent by others must amount to more, since they are more lenient than the sowcars, and only when the poor cannot get money from others do they apply to the sowcar. It has been probably estimated at two lakhs. 452

A little explanation of how money is lent may not be out of place here. Suppose a man wants to borrow Rs. 50. The interest that is demanded is 2½ per cent per mensem; there is deducted from the amount lent an allowance called the bank allowance, generally 10 per cent, and also six months' interest or Rs. 6-4-0. So the amount actually paid to the borrower is only Rs. 38-12-0 and he executes a promissory-note for Rs. 50. If a man actually wants Rs. 50 he must incur a debt of Rs. 65. By the third year the man must pay the whole amount and the interest. By that time the total amount would have reached nearly Rs. 90. The poor man is not able to pay the money since the very purpose for which he borrowed is to maintain himself and not for productive purposes. He rewrites the note. For what amount? Rs. 65 plus interest for 2½ years plus compound interest plus bank allowance plus six months' further interest plus a commission (which is a new innovation since last year) mounts up to nearly Rs. 125, i.e., nearly double the original amount. In three years he has paid six months' interest and yet he has to pay double the amount he borrowed. This is an ordinary case, but interest at the rate of 3 or 3½ per cent per mensem is not uncommon. 426

Very few of the poor once in debt ever release themselves. On the other hand the number who are in debt is increasing from year to year. Any amount of money that is in the possession of the